

Message Text

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ORIGIN ARA-20

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

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TO AMEMBASSY PANAMA IMMEDIATE

INFO AMEMBASSY TEGUCIGALPA

AMEMBASSY GUATEMALA

AMEMBASSY SAN JOSE

AMEMBASSY BOGOTA

AMEMBASSY QUITO

AMEMBASSY MANAGUA

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E.O. 11652: GDS

TAGS: ETRD, PN

SUBJECT: BANANAS

REFERENCE: A) PANAMA 4945 B) PANAMA 4947

1. DEPARTMENT CONTACTED JASPER BAKER, UNITED BRANDS' WASHINGTON REPRESENTATIVE, ON MORNING AUGUST 26 AND INQUIRED WHAT HE HAD HEARD ABOUT TAYLOR'S MEETING IN PANAMA. BAKER REPLIED THAT TAYLOR HAD GONE FROM PANAMA TO COSTA RICA AND HONDURAS AND WAS DUE IN U.S. (PRESUMABLY BOSTON) TODAY SO THAT BAKER HAD NOT YET HAD A CHANCE TO CONTACT HIM. BAKER
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ADDED HE WOULD CONTACT TAYLOR TODAY AND BE BACK IN TOUCH.

2. DEPTOFF REPLIED THAT MEETING APPARENTLY HAD BEEN UNPRODUCTIVE. WE ADDED THAT EMBASSY ASSESSMENT OF SITUATION WAS "VERY URGENT" PROBABLY EVEN MORE THAN WE HAD THOUGHT WHEN WE TALKED TO UNITED HERE TWO WEEKS AGO.

3. DEPTOFF ASKED BAKER WHETHER HE HAD SEEN NEWSPAPER ACCOUNTS OF TORRIJOS' QUESTIONS AND ANSWERS AT FAO MEETING. BAKER INDICATED THAT HE HAD. DEPTOFF READ BAKER SECTIONS IN QUOTES FROM PARA 5 REFTEL B). BAKER SAID HE SUPPOSED TORRIJOS WAS TALKING ABOUT NATIONALIZATION OR SOMETHING OF THE SORT. DEPTOFF SAID NOBODY HAD TOLD US

THIS DIRECTLY BUT WE ALSO SUPPOSED THE PANAMANIANS WERE CONSIDERING SUCH ACTION.

4. BAKER REPORTED UNITED HAD INFORMATION THAT A "QUIET" PANAMANIAN DELEGATION HAD BEEN ON THE WEST COAST WITHIN THE PAST WEEK LOOKING FOR PIER SPACE AND SHIPPING FACILITIES. HE ALSO REPORTED HE WAS VISITED LAST WEEK BY A ROBERTO BRENES WHO INTRODUCED HIMSELF AS A PANAMANIAN

INVESTMENT COUNSELOR AND REQUESTED COMPANY INFORMATION SUCH AS FINANCIAL STATEMENTS. SUBSEQUENTLY BAKER UNDERSTANDS BRENES WENT TO THE SEC AND ACQUIRED SOME PUBLIC INFORMATION REGARDING UNITED ON FILE THERE. BAKER STATED HE SUBSEQUENTLY LEARNED THAT BRENES IS, IN FACT, AN OFFICIAL OF THE MINISTRY OF COMMERCE AND INDUSTRY OF PANAMA.

5. DEPTOFF REPORTED TO BAKER PANAMANIAN REACTION, REPORTED PARA 3 REFTEL B), THAT IT WAS GETTING MIXED SIGNALS FROM UNITED. IN THAT CONNECTION DEPTOFF ASKED WHETHER TAYLOR HAD IN FACT TABLED WITH PANAMANIANS THE OFFER THAT UNITED BRANDS REPRESENTATIVE DUDENSING HAD DISCUSSED HERE WITH BARLETTA. WE STATED THAT BARLETTA'S CONVERSATION HERE WAS PASSED ON TO MANFREDO AND SPECULATED

THAT IF TAYLOR HAD FAILED TO MAKE THIS OFFER IN HIS MEETING WITH MANFREDO THIS COULD HAVE ACCOUNTED FOR THE CONFIDENTIAL

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FEELING EXPRESSED BY THE PANAMANIANS. BAKER PROMISED TO QUERY TAYLOR DIRECTLY ON THIS POINT AND ADVISE DEPARTMENT.

6. DEPTOFF NOTED JOHNSON'S REITERATION TO EMBASSY OF DESIRE TO NEGOTIATE WITH SOMEONE OTHER THAN MANFREDO. DEPTOFF COMMENTED THAT THERE WAS NOTHING WE COULD DO ABOUT THIS, AS WE HAD ALREADY INDICATED, BUT SUGGESTED THAT

FACED WITH THIS DESIRE BY UNITED AND THE VERY CRITICAL TIME-FRAME IN WHICH UNITED BRANDS NOW NEEDED TO WORK, IT MIGHT BE WORTHWHILE FOR PRESIDENT BLACK TO RECONSIDER AN ATTEMPTED PERSONAL CONVERSATION WITH TORRIJOS. BAKER REPLIED "IF TORRIJOS WILL RECEIVE HIM." AND DEPTOFF AGREED THAT WE WOULD ONLY SUGGEST SUCH A VISIT IF TORRIJOS INDICATED BEFOREHAND HIS WILLINGNESS TO TALK TO BLACK AND IF BLACK HAD SOMETHING REAL TO OFFER.

7. DEPTOFF ASKED WHAT WERE UNITED'S INTENTIONS NOW AND WHETHER TAYLOR INTENDED TO RETURN TO PANAMA WITH THE WRITTEN STATEMENT OF POSITION REQUESTED BY THE GOP. BAKER AGREED TO ATTEMPT TO FIND OUT AND ADVISE DEPARTMENT.

8. AMBASSADOR GONZALEZ REVILLA CALLED DEPT THIS MORNING TO CONFIRM INFORMATION PASSED EMBASSY BY JULIETTA FABREGA REGARDING GOP EXPECTATION OF WRITTEN DOCUMENT DESCRIBING COMPANY'S POSITION. HE SAID THAT GOP HAD DECIDED TO WAIT UNTIL FRIDAY FOR DOCUMENT BUT WAS NOT TOO HOPEFUL THAT ONE WOULD BE FORTHCOMING. WE WILL INFORM UB THAT WE UNDERSTAND GOP INTENDS TO WAIT UNTIL FRIDAY FOR COMPANY PROPOSAL WITHOUT REVEALING SOURCE. KISSINGER

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